

Gemadept (GMD)

Full-year guidance is within reach

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2Q25 NPAT reached VND604 billion (-20% YoY) on revenue of VND1,494 billion (+30% YoY)

In 2Q25, net revenue of Gemadept Corporation (GMD) hit VND1,494 billion (+30% YoY). Of that, the core port operation contributed VND1,309 billion (+33% YoY) with cargo throughput handled by the entire port system (excluding Gemalink) reaching 1.5 million TEUs (+27% YoY). 2Q NPAT recorded VND604 billion (+36% YoY).

GMD port throughput may post modest growth in 2025-2026, driven by Nam Dinh Vu Port

GMD expects to achieve output growth of 6.4/2.8% YoY for 2025/2026F with the main force coming from (1) Nam Dinh Vu 3 coming into operation from the end of 2025, boosting the capacity of handling out of gauge cargo (OOG) and (2) Gemalink focusing on expanding service routes outside the US, undermining the impact from tariffs on port throughput.

Rubber segment may soon bring extra profits to GMD

The Management emphasized that it would soon get the divestment of rubber segment done, which should bring GMD extra profits and supplement cash flow to carry out expansion projects.

Valuation: BUY recommendation – Target price VND79,800/share

We recommend BUY for GMD shares, with a target price of VND79,800/share, 20.2% higher than the closing price on September 8, 2025.

Buy change

Target price VND79,800

Upside	18%
Current price (Sep 8, 2025)	VND66,200
Consensus target price	VND69,300
Market cap (VNDtn/USDbn)	28.3/1.1

Forecast earnings & valuation

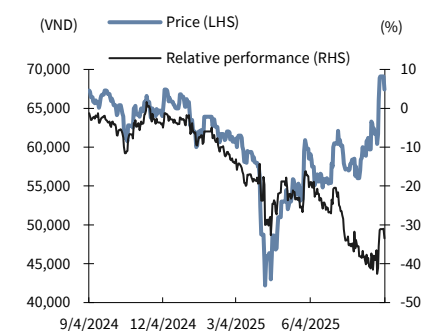
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	3,846	4,832	5,195	5,656
Operating income/loss (VNDbn)	3,177	2,419	2,356	2,464
NPAT-MI (VNDbn)	2,251	1,455	1,524	1,590
EPS (VND)	7,207	4,276	3,680	3,783
EPS growth (%)	138	-41	-14	3
P/E (x)	9.4	15.8	18.3	17.8
P/B (x)	2.9	2.0	2.0	2.0
ROE (%)	26.0	14.0	14.5	15.0
Dividend yield (%)	3	3	3	3

Trading data

Free float	91.5%
3M avg trading value (VNDbn/USDmn)	202.7/7.7
Foreign ownership	40.1%
Major shareholder	SSJ Consulting Vietnam (7.17%)

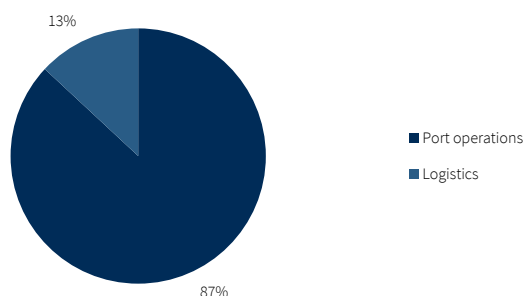
Share price performance

(%)	1M	3M	6M	12M
Absolute	18.2	14.0	10.3	0.2
Relative	8.2	-10.9	-17.8	-31.6



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Business operation

Gemadep Corporation (GMD) is one of Vietnam's foremost companies in the port operations and logistics sector, achieving a total throughput of over 4.4 million TEUs in 2024. The company boasts an extensive network of ports across the Northern, Central, and Southern regions, offering a diverse range of inland ports, river ports, and seaports. Notably, its deep-water port, Gemalink, is capable of accommodating the world's largest megaships currently in service.

Source: Gemadep Corporation, KB Securities Vietnam

Investment Catalysts

Notes

Nam Dinh Vu 3 (650,000 TEUs) and Gemalink 2A (900,000 TEUs) should start operating from late 2025/early 2027, ensuring medium and long-term growth for GMD.

Please see more details below

Service rates at GMD ports in the North are expected to grow 3–5%/year, while in the South the average increase is 5–10%/year.

Please see more details below

The priority completion of rubber divestment will bring extra profits to GMD in the coming time.

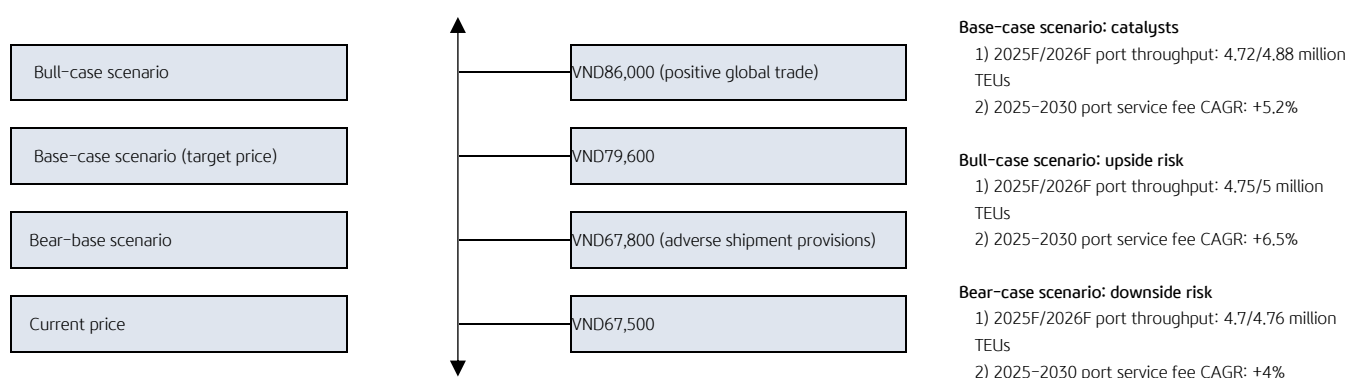
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	5,195	5,603	+1%	+12%	5,039	5,534	-3%	+2%
EBIT	1,463	1,583	+8%	+28%	1,569	1,692	-7%	-6%
NP after MI	1,508	1,628	-11%	-3%	1,552	1,681	-2%	-5%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

GMD is more optimistic about its 2025 business prospects after the last tariff modification in early August

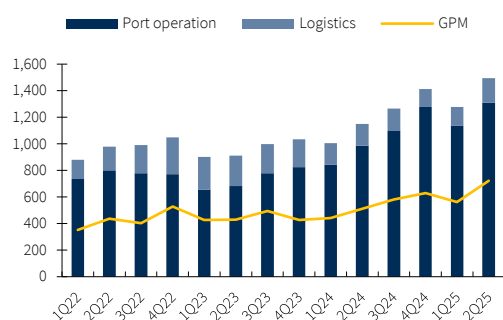
Although specific regulations on transshipped goods have not yet been announced, the reciprocal tariff modified in early August seems to be more friendly to Vietnam compared to the previous scenario. The lack of regulations on transshipment also limits short-term risks for trade and logistics. GMD's management recently had a more optimistic view on its 2025 business results, expected to beat the bull internal plan (VND2,000 billion in NPAT on VND4,950 billion in revenue). The NPAT and revenue targets for 2025 in the base case are VND1,800 billion and VND4,800 billion, respectively.

Table 1. GMD – 2Q25 financial results

(VNDbn, %)	2Q24	2Q25	+/-%YoY	1H24	1H25	+/-%YoY	Notes
Revenue	1,151	1,494	30%	2,156	2,771	29%	1H revenue reached 56% of the full-year objective (VND4,950 billion). The sharp increase was achieved as (1) most ports have raised their service rates since 1Q25, and (2) total cargo volume through GMD ports (excluding Gemalink) in 1H25 reached 1.5 million TEUs (+27% YoY).
– Port operations	985	1,309	33%	1,828	2,447	34%	
– Logistics	166	185	12%	328	324	-1%	
Gross profit	511	722	41%	951	1,284	35%	
Gross profit margin	44%	48%	+4 ppts	44%	46%	+2 ppts	
Financial income	30	62	108%	384	92	-76%	GMD no longer recorded extra of VND335 billion as in 1Q24 from the sales of Nam Hai Port.
Financial expenses	-46	-24	-48%	85	82	-4%	
Shared profits from affiliates	183	243	33%	281	470	67%	The strong growth was attributable to Gemalink, with earnings surging from VND155 billion in 1H24 to VND319 billion in 1H25 (1H25 output recorded nearly 900 thousand TEUs, up 12% YoY).
SG&A	-214	-203	-6%	364	414	14%	
Operating income/loss	464	801	73%	1,168	1,268	9%	
Other income	56.3	-123.5	-320%	60	-8	-113%	
Profit before taxes (PBT)	520	677	30%	1,228	1,261	3%	1H result was equal to 63% of the full-year guidance (VND2,000 billion).
Net profit after taxes (NPAT)	445	604	36%	1,101	1,132	3%	
NPAT-MI	330	445	35%	890	848	-5%	
NPAT margin	29%	30%	+1 ppt	41%	31%	-10 ppts	

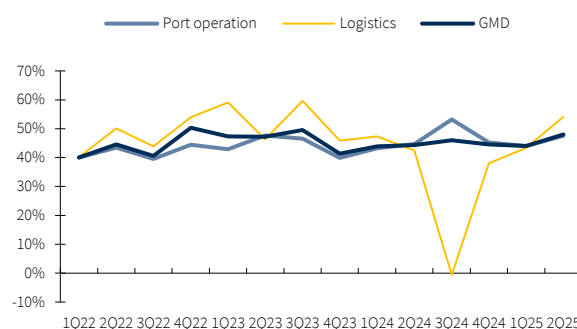
Source: Gemadept Corporation, KB Securities Vietnam

Fig 2. GMD – Revenue breakdown, gross profit (VNDbn)



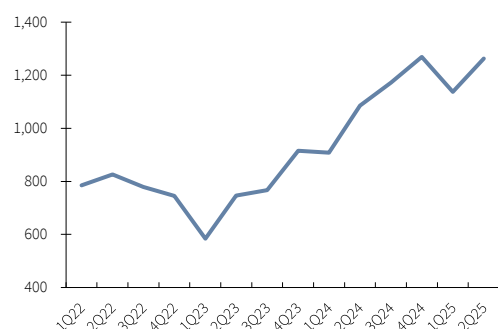
Source: Gemadept Corporation, KB Securities Vietnam

Fig 3. GMD – Gross profit margin (%)



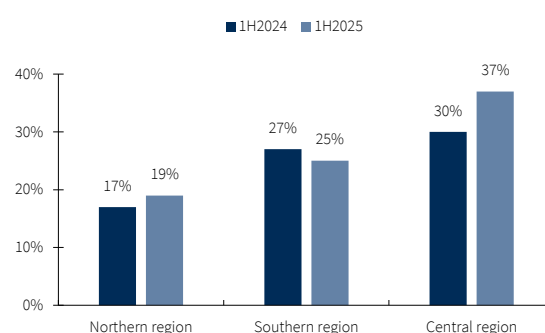
Source: Gemadept Corporation, KB Securities Vietnam

Fig 4. GMD – Port throughput ('000 TEUs)



Source: Gemadept Corporation

Fig 5. GMD – Market share (%)



Source: Gemadept Corporation

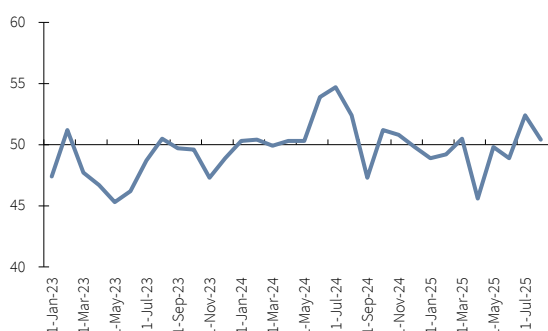
GMD port throughput may post modest growth in 2025–2026, driven by Nam Dinh Vu Port

We have revised the total throughput of the entire GMD port system compared to the previous forecast with 2025/2026 growth reaching 6.4%/3.4% YoY respectively, driven by:

- The forecast for 2025 global container throughput has been upgraded from 2.1% in April 2025 to 2.6% in August 2025 after the effective tax rate imposed by the US was lowered, combined with fiscal stimulus measures in some key countries. Vietnam PMI has also returned to the threshold above 50 points since July, and manufacturing output continued to increase in August. GMD port throughput should keep growing in 2H25, although the pace will slow down due to the strong frontloading in 1H25.
- Nam Dinh Vu plays a key role in the short and medium term growth for GMD when Nam Dinh Vu 3 may come into operation from October 2025, expected to quickly fill over 70% of capacity within three years when (1) GMD increasing the depth of Ha Nam channel to increase the ability to accommodate large vessels has helped attract new shipping lines (including SITC); and (2) phase 3 of designing a separate area to handle OOG cargo will heighten competitiveness in attracting cargo sources for the port as very few ports in Vietnam currently can receive OOG.

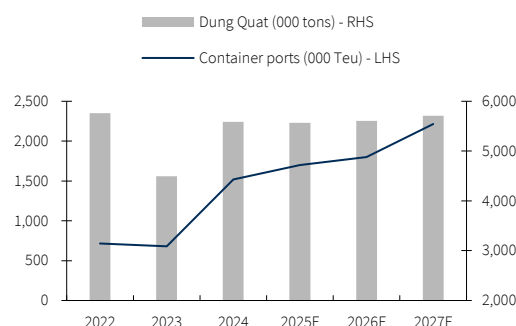
- Gemalink's efforts to expand its scope of operations with five new shipping routes since the beginning of this year, including routes through Canada, Brazil, Europe, Africa, and one intra-Asia route, are expected to undermine the impact from reciprocal tariffs on port throughput, as current US-bound shipments account for less than 20% of total volume at Gemalink and Southern ports.

Fig 6. Vietnam – PMI since 2023



Source: S&P Global

Fig 7. GMD – Throughput forecasts ('000 tons, '000 TEUs)



Source: Gemadept Corporation, KB Securities Vietnam

Fig 8. GMD – Nam Dinh Vu Port

Nam Dinh Vu Port is the closest gateway to the sea among ports in Hai Phong, consisting of two phases, with a combined capacity of 1.2 million TEUs. The port is currently running at full capacity, with an average monthly throughput exceeding 120,000 TEUs. 7M25 throughput reached 869,000 TEUs, equivalent to a utilization rate of 122%.

Phase 3 is currently under construction with a total investment of about VND2,500 billion. It will expand the port's total area to 65ha and increase the berth length to 1.5 km. Nam Dinh Vu 3 is expected to be completed in 4Q25, with projected utilization reaching 40% in 2026 and expected return from OOG touching at least VND100/200 billion in 2025/2026F.



Source: Gemadept Corporation

Fig 9. GMD – Gemalink Port

Gemalink continues to operate beyond its designed capacity, recording throughput of over 893,000 TEUs in 1H25, equivalent to 119% of its designed capacity (+11% YoY).

Gemalink 2 is currently in the permitting stage, with Phase 2A expected to come into operation from 2027 (900,000 TEUs in capacity, USD200 in investment). Phase 2B is planned to begin once Phase 2A reaches at least 70% capacity utilization, expected operational date no sooner than 2029.

The project is 25% funded by CMA-CGM. Upon completion of phases 2A and 2B, the total handling capacity will reach 2.3 million TEUs and 3 million TEUs, respectively, with the ability to accommodate vessels of up to 25,000 TEUs.



Source: Gemadept Corporation

Service rates should grow 3–10%/year

After the service rate increases at all GMD ports in 1Q25, Nam Dinh Vu Port recently made another adjustment to raise the fees for many port service items with an increase of 5–10%. We assess that Trump’s reciprocal tariffs will have an insignificant impact on GMD’s port service rate increase roadmap because (1) there is still a lot of room for rate increase when our country’s port service fees are still lower than other ports in the region; and (2) the working group to appraise and propose a new service rate mechanism at deep-water ports has been established, expected to raise rate frame in the coming time, expanding the rate increase margin for Gemalink. KBSV expects the Southern port area to maintain an average rate increase of 5–10%/year while the growth rate in the North will be lower due to high competition, at 3–5%/year.

GMD planned to issue bonus shares with the issuance rate equivalent to 1.5% of the total number of shares outstanding at the time of issuance

GMD has approved the resolution to issue bonus shares at the last AGM. The number of shares issued is 6,302,800 shares, par value of VND10,000/share, expected to be issued between 3Q – 4Q25. The shares cannot be transferred in the first two years, and holders can sell 50% of the shares for each year in the next two years. This issuance is slated to add more than VND63 billion to the company’s working capital.

Rubber segment may soon bring extraordinary profits to GMD

GMD started investing in rubber plantations in Cambodia in 2011. By the end of 2Q25, the book value of the rubber segment was recorded at nearly VND1,300 billion. In 2022, the company mentioned divesting non-core business segments to focus resources on core business segments and recently, the Management emphasized that it will soon complete the divestment of rubber segment, which should bring GMD extra profits and supplement cash flow to carry out expansion projects. However, due to the lack of specific information about this deal, we have not included it in the valuation model.

Forecast & valuation

Table 10. GMD – 2024A–2026F financial results

(VNDbn, %)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
Revenue	4,832	5,195	8%	5,656	9%	GMD may beat the 2025 bull case's full-year revenue objective by 5% (VND4,950 billion). Total port throughput (excluding Gemalink) in 2025/2026 will record 2.9/3.1 million TEUs (+10%/4.6% YoY). Nam Dinh Vu 3 comes into operation from the end of 2025, reaching 35% capacity in 2026. 2026 revenue increases thanks to higher charter rates.
– Port operations	4,201	4,750	13%	5,175	9%	
– Logistics	632	445	-30%	481	8%	
Gross profit	2,162	2,268	5%	2,392	5%	
<i>Gross profit margin</i>	<i>45%</i>	<i>44%</i>	<i>-1 ppt</i>	<i>42%</i>	<i>-2 ppts</i>	
Financial income	426	175	-59%	191	9%	
Financial expenses	-150	-143	-5%	-155	9%	
Shared profits from affiliates	829	861	4%	845	-2%	
SG&A	-822	-805	-2%	-809	0%	
Operating income/loss	2,419	2,356	-3%	2,464	5%	
Other income	-320	-52	-84%	-57	9%	
PBT	2,099	2,304	10%	2,407	4%	This is equal to 115% of the 2025 profit target (VND2,000 billion). 2025 NPAT grew 22% YoY (excluding extraordinary profit from selling Nam Hai Port in 2024).
NPAT	1,924	2,031	6%	2,120	4%	
NPAT-MI	1,455	1,524	5%	1,590	4%	
<i>NPAT margin</i>	<i>30%</i>	<i>29%</i>	<i>-1 ppt</i>	<i>28%</i>	<i>-1 ppt</i>	

Source: Gemadept Corporation, KB Securities Vietnam

We upgraded GMD to BUY with a target price of VND79,800

We use the sum of the parts (SOTP) valuation method to value GMD, including: (i) its core businesses (port operations and logistics) and shared profits from joint ventures and associates; (ii) contribution from SCSC Cargo Service Corporation (SCS), (iii) the Gemalink project; and (iv) rubber and real estate projects. We upgraded our target price for GMD shares to VND79,800/share, implying a potential upside of 22% from the closing price on September 8, 2025, after reviewing the impact from the US reciprocal tariffs on GMD based on the following assumptions:

- Nam Dinh Vu is expected to operate at 124% utilization in 1H25, decreasing to 118% in 2H25. Nam Dinh Vu 3 is scheduled to commence operations from the beginning of October 2025, with capacity utilization reaching 10%/35%/60% in 2025/2026/2027F thanks to the advantages in location, infrastructure and ability to handle OOG cargo.
- Retaliatory tariffs may decrease shipments to the US at Gemalink by 25%. However, this should be offset by cargo volumes from other markets. Gemalink cargo throughput in 2025/2026F should grow 2.2%/1% YoY.

Table 11. GMD – Assumptions

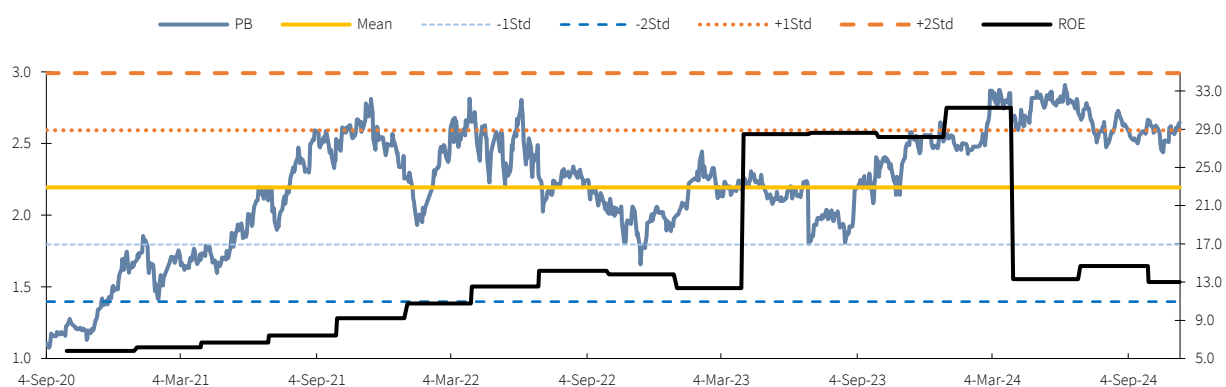
Assumptions	Value
Beta	1.18
Risk-free rate	4.70%
Market risk premium	8.35%
Cost of debt	9%
WACC	12.63%

Table 12. GMD – Final valuation

Valuation	Valuation method	Value	GMD's ownership	Contribution to GMD
Core business	FCFF	18,391	100%	18,401
SCS	FCFF	9,079	36.24%	3,290
Gemalink	FCFF	14,984	65.10%	9,755
Rubber	P/B	1,767	100%	1,767
Real estate	BV	290	100%	290
Equity value				33,555
Outstanding shares (million shares)				420.29
Valuation value				79,800
Current price (VND)				66,200
Upside				20.2%

Source: Gemadept Corporation, KB Securities Vietnam

Fig 13. GMD – P/B, ROE in 2020–2025 (x, %)



Source: Bloomberg, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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